Shertallai taluk, who commenced business from the beginning of Tulam 1106. These details will convince you of the sympathy of Government towards those adversely affected by the prevailing economic conditions.

Retrenchment.

10. As the financial transactions of 1106 resulted in a deficit and as, with the continuance of the economic depression, the estimated receipts will not be forthcoming and the year 1107 will also close with a deficit, steps have been taken to reduce expenditure. A committee, composed of officials and of the non-official representatives of the Legislative Council on the Standing Finance Committee, was constituted towards the close of October 1931 to investigate the means of retrenchment, both temporary and permanent, in the present expenditure of the State and to make specific recommendations to Government for reducing the expenditure with due regard to the needs of efficient administration, after an examination of all possible economies, with a view to stabilising the financial position. The committee has so far considered and formulated proposals for retrenchment of expenditure in the Land Revenue, Excise, Police, Forest, Registration, Industries, Education and Agricultural Departments. Instructions have been issued to heads of departments to effect economies wherever possible, under contingencies, and under establishment by not filling up vacancies. The rates introduced by the revised rules governing travelling allowances, which were issued as a tentative measure in 1925 to check the growing expenditure on that account, were further reduced with effect from the 1st Kanni 1107. In the Registration Department, where the economic depression automatically led to a reduction in the volume of work, three temporary Sub-Registry Offices were closed in Edavam 1106 and seven others from Chingam 1107. It is proposed to close two more temporary offices from the 1st Meenam 1107, and also to disband from that date twelve temporary clerks working in offices which were formerly overworked. In the Maramat Department, two Section Offices were abolished, the work being distributed among the adjoining Sections. In the Education Department, the appointment of the Vice-Principal of the Training College is held in abeyance; the posts of Lady Lecturer in that college and of the librarian and a peon in the Educational Museum and Bureau have been abolished; and the vacancies in the first grade in the general list of graduate teachers are being kept open till final orders are passed on the proposals of the Retrenchment Committee. The amount of scholarships (open, close, Mahomedan and special) has been reduced by 25 per cent. in the case of fresh awards. The basis of assessing maintenance grants to English schools has been reduced to $33\frac{1}{3}$ per cent. in the case of boys' schools and to 50 per cent. in the case of girls' schools. The rates of remuneration to the chairman and members of the boards, examiners, superintendents, etc., for the public examinations conducted by the department have been reduced. In the Land Revenue Department, the temporary Survey School at Muvattupuzha has been provisionally discontinued from the 1st Dhanu 1107.

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In the Public Works Department, the list of works has been re-examined and the budget allotment to the extent of Rs. 3 lakhs treated as surrendered.

Additional Taxation.

11. Elsewhere Governments have been obliged to resort to additional taxation and to effect drastic economies in order to maintain financial equilibrium. As a result of the normal growth in revenue and the careful husbanding of the resources of the State, it had been possible in the past to accumulate revenue surpluses, utilising only a fraction thereof for capital undertakings. As the year 1106 was preceded by a series of years in which revenue surpluses were possible, the financial condition of the Government is not one to cause any anxiety. Except in regard to Anchal rates and the duty on tobacco and allied articles of luxury, no enhancement of the burden of taxation has been made in the State. Compared with the rates in force in British India and in the neighbouring State of Cochin, the Travancore Anchal rates are, even after their enhancement to the maximum rates fixed by the Anchal Regulation, remarkably low. The tariff values and rates of duty on snuff, cigars, other kinds of manufactured Indian tobacco and cigarettes were revised and enhanced from the 1st Dhanu 1107. The duty on unmanufactured tobacco imported from British India and Ceylon has also been raised from the same date.

Land Mortgage Bank.

12. The question of establishing a land mortgage bank in order to relieve agricultural indebtedness has been under consideration for some years past. The need for such an organisation had been urged in this Assembly and formed the subject of a resolution in the Legislative Council. The Economic Development Board, the Banking Enquiry Committee, the Economic Depression Enquiry Committee and various co-operative conferences had also pressed the need for such a bank. Finally, His Highness the Maha Raja at the Investiture Durbar announced a donation of one lakh of rupees to serve as the nucleus of the initial capital for the proposed bank; and the Travancore State Land Mortgage Bank was opened on the 10th Makaram 1107. The Government have undertaken to advance from time to time towards the Bank's working capital funds to the extent of Rs. 4 lakhs at a rate of interest to be fixed by them, and they also propose later on to issue on their own responsibility and liability debentures for the purpose of augmenting the funds of the Bank. The Bank will supplement the operations under the Land Improvement and Agricultural Loans Regulation, IX of 1094, and will advance loans only for the liquidation of prior debts on land in the possession of the borrower and for the improvement of agricultural land. The Bank is a purely Government concern for the present and the management is vested in a board consisting of five officials and two nominated non-officials. The rules for the constitution, management and working of the Bank have been passed. The rate of interest has been fixed at seven and a half per cent. per annum.

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